

# Tax Considerations for Volunteers



by  
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## Tax Tips to Keep in Mind

April 15th will be here before you know it. In the meantime, here are some important tax considerations for volunteers. It doesn't matter if you are a 4-H leader, a volunteer at your church, or a scout leader, the same rules apply when you are volunteering your time, talents, and money and you are thinking about what might be tax deductible and what might not.

The following are some typical examples for Cooperative Extension Service (CES) volunteers: (Reference: CES Volunteer Management Handbook)

**Deductible Items:** direct money gifts, auto mileage expenses, bus and cabs, parking tolls, materials, supplies, ingredients or materials that go into something you donate—like food cooked for a bake sale, special uniforms if needed, telephone bills, entertainment, and meals given to others, cost of meals & lodging if away overnight, tickets to charity benefits above intrinsic value, the cost of an auction animal above the fair market value, and travel to attend volunteer trainings or meetings as long as you only attend the conference and do not have any significant element of personal pleasure, recreation, or vacation in such travel.

**Non-deductible Items:** the value of your time, dependent care while away on a volunteer position, your own meals unless away overnight, your own entertainment.

Remember, you must itemize deductions (complete the long form 1040 Schedule A) to be able to count donations. First keep accurate records. Keep track of what you spend, mileage driven, as well as when and where you traveled. If you need help keeping up with the records, get a log

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**Table 1 Volunteer Log Book**

Organization,  
agency, group  
or individual:

*Larry Lewis, Master Gardener*

| Date  | Job performed       | Job title | Hours spent | Total Mileage | Other expenses | No. persons reached |
|-------|---------------------|-----------|-------------|---------------|----------------|---------------------|
| 8/25  | Garden Clinic       | Volunteer | 2           | 51            | —              | 65                  |
|       | at State Fair       |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
| 9/11  | School Presentation | Volunteer | 1.5         | 28            | 1.50           | 47                  |
|       | at Chugiak          |           |             |               | plants         |                     |
|       | High School         |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
| 10/1  | Site Visit at       | Volunteer | 1           | 5             | —              | 2                   |
|       | Davis Residence     |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
|       |                     |           |             |               |                |                     |
| Total |                     |           | 4.5         | 84            | 1.50           | 114                 |

*Sharon Lopez, Extension Agent*

Signature of Authorized Person  
(yearly or when 500 hours of total time are accumulated)

book to track dates and activities. An example of what is needed is shown in Table 1 Volunteer Log Book.

Remember that any out-of-pocket expenses must have a receipt to be deductible. If your gift of money or property to an eligible charity is over \$250 then you need a statement from the organization. Also, the charitable organization usually must be 501c(3) certified for your donation to be tax deductible. Donations of property over \$5000 will require written acknowledgment, a written record, and generally a written appraisal. (Refer to IRS Publication 526 and IRS Form 8283 for more information. Donations to governmental organizations, including their political subdivisions, would also qualify as being tax deductible.)

Another type of charitable contribution is one in which you receive something in return for the money spent. For example, if you bought a steer at an auction for \$2.00 per pound and the

current market price is \$.80 per pound, you can deduct the difference, \$1.20 per pound. On a thousand pound steer, you can deduct a total of \$1200, not the total auction price of \$2000. The same thing goes for dinner and theater events that are often used for fund raising. If you paid \$100 for tickets and received a dinner worth \$30, you can deduct \$70.

Often, many of our CES 4-H leaders attend out-of-state conferences, such as the Western Regional Leaders Conference, which directly benefit their members and volunteer role. These conferences can also be tax deductible as long as you are attending as an official delegate. This would require a letter from the state 4-H chair or your district agent stating that you are the chosen representative. In order for travel expenses to be claimed as a charitable deduction, there must be no significant element of personal pleasure, recreation, or vacation in the travel. (Refer to Tax Guide for College Teachers and also IRS publication 17.)

The air fare, mileage, hotel, car rental, and one-half of the meals are deductible as a donation. Mileage is deductible or you can keep actual receipts for gas and oil. Note also that local mileage is also deductible, i.e. going to local meetings. Check with the IRS annually for the latest allowable mileage deduction. The burden is on you to keep accurate records. A useful way to do this is to use a log book. Again, refer back to Table 1: Volunteer Log Book.

Another potentially deductible area is keeping animals for petting zoos or for the use of all members in the club. If the only reason you have an animal is for the use by 4-Hers or for a petting zoo, then the cost of feed and veterinarian bills are deductible. If your child shares the animal with three other 4-Hers, costs are only three-fourths deductible.

What about facilities that are used for 4-Hers, such as corrals? If your club builds the corral or arena, money donated to the club for the purpose of the building project is deductible. But the club must remain the owner regardless of whose land the corral is built on.

As in all tax matters, the IRS can go back as far as 3 years to check your records. Be sure to keep complete and accurate records.

These comments are to make you aware of the possibilities. Be sure to check with your accountant about your specific tax situation. Here are some sources from the Internal Revenue Service for further information on this topic:

- IRS Publication 526 - Charitable Contributions
- IRS Publication 78 - Cumulative List of Qualified Charitable Organizations
- IRS Publication 17 - Your Federal Income Tax

If you need any forms mentioned in this fact sheet, you can obtain them by contacting the Internal Revenue Service at **1-800-829-3676** (1-800-TAX FORM) 7:30 a.m. to 5:30 p.m. weekdays or via internet at **<http://www.irs.ustreas.gov>** or you can **fax 703-368-9694** to receive over 100 of the most requested forms and instructions.

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